

Message Text

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PAGE 01 PRETOR 03480 061130Z

43

ACTION EB-07

INFO OCT-01 AF-08 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /098 W
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R 060932Z AUG 76

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 5109

INFO AMCONSUL CAPE TOWN

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E.O. 11652: N/A

TAGS: ESTC, ENRG, SA, RH, EINV

SUBJ: ALLEGED DIVERSIONS TO RHODESIA BY MOBIL OIL SOUTH AFRICA

1. PRESIDENT OF MOBIL INTERNATIONAL, CURTIS KLAERNER, VICE
PRESIDENT EVERETT CHECKET AND GENERAL COUNSEL J. EDWARD FOWLER
CALLED ON AMBASSADOR AUG 5. KLAERNER SAID HE WAS IN SOUTH
AFRICA TO INVESTIGATE CHARGES PUBLISHED BY UNITED CHURCH OF
CHRIST INCLUDING ALLEGED INTERNAL MEMORANDA EXCHANGED BETWEEN
MOBIL OF RHODESIA AND MOBIL OF SOUTH AFRICA REFLECTING SCHEME
TO DIVERT OIL PRODUCTS TO GENTA, THE RHODESIAN STATE BUYING
AGENCY.

2. KLAERNER SAID MOBIL HAD BEEN INSTRUCTED BY TREASURY TO
SUPPLY ALL INFORMATION IN ITS POSSESSION WHICH IT HAD DONE.
HOWEVER, HIS EFFORTS TO SECURE INFORMATION FROM MOBIL'S SOUTH
AFRICAN STAFF HAD BEEN STYMIED BECAUSE SOUTH AFRICANS CLAIMING
ON ADVICE OF COUNSEL THEY COULD NOT ANSWER CERTAIN QUESTIONS.
CITED OFFICIAL SECRETS ACT WHICH MAKES IT OFFENSE TO COMMUNICATE
MILITARY AND DEFENSE INFORMATION (DATA ON DISTRIBUTION OF
PETROLEUM IS SO CONSIDERED AND "INFORMATION ACT" (SECOND
GENERAL LAW AMENDMENT ACT NO. 94. SEE CAPE TOWN A-87, MAY 21,
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PAGE 02 PRETOR 03480 061130Z

1975 AND PREVIOUS).

3. KLAERNER SAID HE HAD NO REASON AT THIS POINT TO ACCUSE MOBIL SA OF ENGAGING IN THESE TRANSACTIONS AND HAD CONCLUDED NOBODY SUBJECT TO US JURISDICTION HAD VIOLATED THE LAW. HE SAID MOBIL WAS "SIMPLY A SHAREHOLDER" IN MOBIL SA AND ONLY AMERICAN ASSOCIATED LATTER WAS CHECKET AS BOARD MEMBER. BOARD HAD NOT OF COURSE APPROVED DOING BUSINESS WITH RHODESIA. MOBIL OF RHODESIA HAD IN EFFECT BEEN REQUISITIONED BY RHODESIAN GOVT AND FORMER MOBIL EMPLOYEES NOW SUBJECT TO RHODESIAN CONTROL. NEVERTHELESS IT WAS NATURAL FOR THESE EMPLOYEES TO TRY TO ACT AS THOUGH STILL RESPONSIBLE TO MOBIL.

4. KLAERNER UNDERSTANDS RHODESIAN EMBARGO, UNLIKE CONTROLS APPLICABLE TO COMMUNIST COUNTRIES, DOES NOT APPLY TO THIRD COUNTRY AFFILIATES. HE WAS CONCERNED, HOWEVER, THAT WITH PRESS ATTENTION AND CONGRESSIONAL INTEREST, IT WOULD NOT BE ENOUGH FOR MOBIL INTERNATIONAL TO ARGUE THAT IT WAS NOT IN A POSITION TO ASSURE ITS SOUTH AFRICAN SUBSIDIARY ACTED IN ACCORDANCE WITH US LAW.

5. KLAERNER SAID MAIN PURPOSE OF CALL WAS TO INFORM AMBASSADOR SINCE MATTER LIABLE TO BECOME GOVT-TO-GOVT ISSUE. ALSO ASKED ABOUT SAG APPLICATION OF INFORMATION ACT. AMBASSADOR REPLIED NOT ENOUGH CASES HAD COME TO OUR ATTENTION TO PREDICT WHETHER SAG WOULD INVOKE. SUGGESTED THAT QUESTION BE RAISED DIRECTLY WITH SA COMMERCE SECRETARY. KLAERNER PROMISED TO KEEP EMBASSY ADVISED IF SUCH APPROACH ADOPTED.

6. ACTION REQUESTED: PLEASE KEEP EMBASSY INFORMED OF DEVELOPMENTS IN THIS CASE WHICH MIGHT INVOLVE SAG OR STATUS OF US COMPANIES HERE.
BOWDLER

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